

DEPARTMENT OF BENEFIT PAYMENTS

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March 12, 1976

ALL-COUNTY LETTER NO. 76-50

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: STEPFATHER COMPUTATION TRAINING MODULE

REFERENCE:

Attached is a Stepfather Computation Training Module developed to assist in training eligibility staff.

The release of this module is not intended to revise or interpret existing regulations, but rather to facilitate stepfather computation procedures defined by regulations currently in effect.

Your comments regarding the usefulness of the module or suggestions for improvement are welcome. Please direct comments, suggestions, or questions to your county's AFDC Management Consultant at (916) 445-4458.

Sincerely,

KYLE S. MCKINSEY
Deputy Director

Attachment

cc: CWDA

OBSOLETE

Superseded by

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STEPFATHER COMPUTATION TRAINING MODULE

Aid to Families with Dependent Children Program

February — 1976



STATE OF CALIFORNIA
DEPARTMENT OF BENEFIT PAYMENTS
AFDC PROGRAM MANAGEMENT BRANCH

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STEPFATHER COMPUTATION

I. DEFINITION

For purposes of AFDC, a stepfather is a man who is married to and living with the mother of a needy child of whom he is not the natural or adopted father (43-103.2).

II. RESPONSIBILITY FOR SUPPORT

In accordance with 43-105.5, a stepfather is responsible for the support of members of the stepfather unit (SU), which includes himself, his natural and adopted children, his wife and their common children.

He is not legally responsible for the support of his wife's separate children unless he has adopted them. However, his wife has a legally collectible interest in their community property, including earnings and other income, of her husband. This interest, plus any other voluntary contributions from the stepfather when available to the wife, shall be considered available for the support of her separate children.

III. FOUR STEPS

There are four basic steps in the eligibility and grant determination process for stepfather situations.

- A. Determine the stepfather unit (SU) composition.
- B. Determine the neediness of the SU (the ability of the stepfather to support members of the SU).
- C. Determine Family Budget Unit (FBU) composition.
- D. Determine the amount and, where applicable, the availability of the stepfather's contribution to the FBU.

The AFDC stepfather contribution worksheet shall be utilized to determine the amount of the stepfather contribution to the FBU (Attachment I).

IV. STEPFATHER COMPUTATION PROCESS

A. Determine SU Composition

The stepfather unit (SU) consists of those members of the family living in the home for whom the stepfather has the responsibility for support. SU members include the stepfather, his natural and adopted children, his wife, and their common children when they are not in the FBU. It should be noted that persons in the household may be in either the SU or the FBU, but not both (44-133.51).

B. Determine the Neediness of the SU

Neediness of the SU (the ability of the stepfather to support members of the SU) is determined on a concurrent basis by deducting the following from the stepfather's monthly gross income:

- Mandatory payroll deductions, and
- Child support liability actually paid, and
- MBSAC amount for the number of persons in the SU.

(Note: Work-related expenses are not considered. The income of other SU members is not considered in this determination.)

1. If the net figure is zero or positive, the stepfather's income meets the combined need of the SU. The SU is considered nonneedy and no one in the SU may be included in the FBU (44-133.522(a)).
2. If the net figure is negative, the stepfather's income does not meet the combined needs of the SU. The SU is considered needy, and the wife is included in the FBU. If the stepfather is the natural or adopted parent of an eligible child for whom aid is requested, the stepfather may be included at the recipient's request rather than the wife in the FBU. Include any other eligible members of the SU for whom aid is requested in the FBU (44-133.522(b)). Only when the conditions specified in 44-213.33 are met, may both parents in the home be included in the FBU.

(Note: The neediness of the SU is computed for the entire unit, including the stepfather. A separate determination is not made for each member of the SU for inclusion in the FBU.)

- a. IF THE SU IS NEEDY, establish deprivation for children in the SU and determine eligible relative status of the stepfather.

(1) Establish Deprivation

To be eligible for inclusion in the FBU, deprivation must be established for each child in the needy SU for whom aid is requested (41-401).

(2) Determine Eligible Relative Status

To be eligible for inclusion in the FBU, the natural or adoptive parent requesting aid on behalf of the child(ren) must be an eligible relative (pursuant to 44-213.2) to the children in the FBU for whom deprivation has been established and aid has been requested.

(a) If the stepfather and his wife are living in the home, the spouse of the included parent is an eligible relative for inclusion in the FBU pursuant to 44-213.33, provided the basis of deprivation of at least one eligible child is:

1. The unemployment of the natural or adoptive father and federal conditions are met,

or

2. The incapacity of the natural or adopted parent.

Note: Only when the conditions specified above are met may both parents in the home be included in the FBU.

(b) If the stepfather's wife, the mother of his non-adoptive stepchild(ren), is not living in the home and the stepfather provides care and supervision for the eligible child(ren), the stepfather is an eligible relative pursuant to 44-213.34.

(c) If neither of the above conditions are met, the stepfather (or the spouse of the included parent if the addendum applies) is not considered an eligible relative for inclusion in the FBU for grant computation purposes. However, he may be included in the FBU for purposes of initial eligibility determination only (44-213.4).

C. Determine FBU Composition

The FBU consists of the following:

1. When the SU is nonneedy, the mother's separate needy, eligible children for whom aid is requested.
2. When the SU is needy, and only one parent is eligible for inclusion per 44-213.33, the natural or adoptive parent of an eligible child who requests aid on behalf of the child and any other eligible members of the SU for whom aid is requested.
3. Additionally, when (a) the SU is needy, (b) deprivation exists for each child in the SU, (c) both parents are eligible for inclusion in accordance with 44-213.33 and (d) the SU is otherwise eligible, the stepfather, his wife, and other members of the SU for whom aid is requested may be included in the FBU if the total net nonexempt monthly income of the family is less than the MBSAC for the family size. Simply determine financial eligibility as with any other AFDC application (42-303).

(Note: The 30 and 1/3 family exemption is not deducted from the stepfather's gross earnings in determining initial eligibility unless the family's needs were met in whole or in part by an AFDC payment in any one of the four preceding months.)

D. Determine the Amount and, Where Applicable, the Availability of the Stepfather Contribution (the WR 2.2 (Stepfather Questionnaire) need only be completed for situation 3)

1. If the stepfather is included in the FBU, his net nonexempt income is applied to the FBU as income in the month received without consideration of availability (44-135.521). If the stepfather is included and the wife excluded from the FBU, the needs of the excluded wife or excluded children are not considered in computing his net income to the FBU.

If the excluded wife has income, allow for her needs (difference in MAP standards between her in and out of the FBU), work-related expenses and mandatory deductions if employed, but not the family exemption when computing the wife's net income to the FBU. Her net income is applied to the FBU without consideration of availability since she is the parent of a needy, eligible child for whom aid is requested.

Prior month budgeting applies for grant computation.

(Note: Net income of all persons included in the FBU is income to the FBU pursuant to 44-133.11.)

2. If the stepfather is excluded from the FBU, but at least one member of the SU is included in the FBU, the net income of the stepfather is applied to the members of the SU who are included in the FBU as income in the month received without consideration of availability. The stepfather's net income in these situations is determined by deducting the following from the stepfather's monthly gross income.
 - a. Mandatory payroll deductions, and
 - b. Work related expenses, and
 - c. Child support liability actually paid, and
 - d. The difference in MAP standards between the stepfather and any nonaided members of the SU in and out of the FBU. (MAP differential.)

Again, prior month budgeting applies for grant computation.

3. If the stepfather and all members of the SU are excluded from the FBU, the stepfather's contribution to the mother to meet the needs of the FBU is the amount of his income which is actually available. Again, prior month budgeting applies for purposes of grant computation.

The following determinations must then be made:

a. Determine the Actual Availability of the Stepfather's Income

Since the stepfather's contribution in such situations where the stepfather and all members of the SU are excluded from the FBU is only that amount which is actually available to the mother to meet the needs of the FBU, a determination must be made to establish the availability of the wife's community interest in the stepfather's income and any other voluntary contributions to meet the needs of her children in the FBU. Availability shall be determined on the basis of information provided on the WR 2.2 (Stepfather Questionnaire) and through personal discussion with the recipients. Contributions of cash are considered income in the month received. Contributions in-kind for those full items of need listed in 44-115.8 are considered the in-kind income value of those items. Contributions in-kind for items not listed in 44-115.8 are exempt from consideration. Contributions in-kind for partial items of needs are exempt pursuant to 44-111.452.

b. Determine the Ceiling Amount of the Stepfather Contribution

The stepfather's contribution amount which is considered as income to the FBU cannot be greater than the ceiling amount of the stepfather contribution (44-133.53). This amount is defined as the remainder after deducting the following from the stepfather's monthly gross income:

- (1) Mandatory payroll deductions, and
- (2) Child support liability actually paid, and
- (3) MBSAC amount for the number of persons in the SU.

(Note: Work-related expenses are not considered.)

Consequently, should the amount actually available to the FBU be greater than the ceiling amount, only the ceiling amount can be deducted from the welfare grant.

c. Determine the Wife's Legally Collectible Interest

The wife has a legally collectible interest in community property, including earnings and other income, of her husband. Her legally collectible interest is determined to establish whether the stepfather is meeting minimum contribution requirements (44-133.533).

The wife's legally collectible interest is defined as one-half of any community income other than earnings, plus one-half of the remainder after deducting the following from the stepfather's total monthly gross earnings:

- (1) Any child support liability actually contributed by the stepfather, and
- (2) \$300.

If the amount determined to be available to meet the needs of the wife or FDU is less than the wife's legally collectible interest, the case should be evaluated for referral for appropriate legal action pursuant to All County Letter #74-158, dated August 7, 1974.

EXAMPLES

The following examples depict the three basic stepfather situations:

I. THE STEPFATHER IS INCLUDED IN THE FBU

A family consists of a married couple, the mother's two separate children and a common child. The stepfather is employed 80 hours a month at \$2.50/hour and meets federal conditions of unemployment. He has mandatory payroll deductions of \$25, work-related expenses of \$25, and child support liability of \$50. The family is otherwise eligible. There is no other income. The child support is court ordered pursuant to 44-113.24.

A. SU Composition

The SU consists of the S/F, his wife, and their common child.

D. Neediness of the SU

The SU is determined on a concurrent basis to be needy, as computed below:

S/F Gross Earnings	\$200
Less Mandatory Deductions	- 25
Less Child Support Liability	- 50
Less MBSAC for SU (3)	-316
	<u>-\$191</u>

The negative figure indicates a deficit in meeting the needs of the SU.

1. Deprivation for SU Child(ren)

The common child is deprived due to his father's unemployment.

2. Eligible Relative Status

Both parents are eligible relatives for inclusion in the FBU since the basis of deprivation is the unemployment of the natural father and federal conditions are met.

C. FBU Composition

Since the SU is determined to be needy, deprivation exists for the SU child, both parents are eligible relatives, and the family is otherwise eligible, a determination is made to establish whether the entire family, including the stepfather and members of the SU, is financially eligible for aid. The 30-1/3 earnings exemption does not apply in determining initial eligibility.

Gross Earnings	\$200
Less Mandatory Deductions	- 25
Less WRE	- 25
Less Court Ordered Child Support	- 50
Net Nonexempt Income	<u>\$100</u>

The total net nonexempt income of the family (\$100) is less than the MBSAC amount for the family size (\$449); consequently, the entire family is financially eligible and is included in the FBU.

D. Stepfather Contribution

Since the stepfather is included in the FBU, and net income of all persons included in the FBU is income to the FBU pursuant to 44-133.11, his net nonexempt income is considered as income in the month received with no consideration of availability and applied on a prior month budgeted basis to determine grant amount.

MAP (FBU of Five)	\$399
Less Net Nonexempt Income	- 13 (include family exemption)
AFDC Grant	<u>\$386</u>

II. THE STEPFATHER IS EXCLUDED, BUT AT LEAST ONE MEMBER OF THE SU IS INCLUDED IN THE FBU

A family consists of a married couple, the mother's two separate children and a common child. The stepfather is fully employed and earns a gross income of \$500 a month. He has mandatory payroll deductions of \$75, child support payments of \$50 and work-related expenses of \$65. The wife, earns a gross income of \$200 a month, has mandatory payroll deductions of \$25 and work-related expenses of \$25. The family meets all other conditions of eligibility. The mother is not incapacitated.

A. SU Composition

The SU consists of the S/F, his wife, his two separate children, and their common child.

B. Neediness of the SU

The SU is determined to be needy on a concurrent basis as computed below:

S/F Gross Earnings	\$500
Less Mandatory Deductions	- 75
Less Child Support Liability	- 50
Less MBSAC for SU (5)	-449
	<u>- \$ 74</u>

The negative figure indicates a deficit in meeting the needs of the SU.

1. Deprivation for SU Children

The S/F's two separate children are deprived due to an absent parent. No basis of deprivation exists for the common child.

2. Eligible Relative Status

The stepfather is not an eligible relative for inclusion in the FBU since the stepfather is fully employed and none of the other conditions specified in 44-213.33 are met.

C. FBU Composition

Aid is requested for the wife, her two children, and the S/F's two separate children. Since the SU is needy, the wife is included and any other eligible members of the SU for whom aid is requested are included in the FBU. The S/F and common child are not eligible for inclusion. Hence, the FBU consists of the wife, her two children and the S/F's two separate children.

D. Stepfather Contribution

The stepfather contribution to the members of the SU included in the FBU is his net income with no consideration of availability. His income is not allowed the family exemption as the stepfather is not included in the FBU. This amount is computed as follows:

S/F Gross Earnings	\$500
Less Mandatory Deductions	- 75
Less Child Support Liability	- 50
Less MBSAC for S/F, and excluded child (2)	-260
Net Income to FBU	<u>\$115</u>

The grant is thus computed on a prior month budgeted basis as follows:

MAP (FBU of 5)	\$399
Less S/F's Net Income	-115
Less Wife's Net Nonexempt Income	- 63 (inc. family exemption)
AFDC Grant	<u>\$221</u>

III. THE STEPFATHER AND ALL MEMBERS OF THE SU ARE EXCLUDED FROM THE FBU

A family consists of a married couple, the mother's two separate children, and a common child. The stepfather is fully employed and earns a gross income of \$500 a month. He has mandatory payroll deductions of \$75 and work-related expenses of \$50. He has no child support liability. The family has no other income. The WR 2.2 indicates that the stepfather pays the total house payment and gives his wife \$80 a month in cash. In addition, he shares in the payment of transportation expenses. The family is otherwise eligible.

A. SU Composition

The SU consists of the S/F, his wife, and their common child.

B. Neediness of the SU

The SU is determined to be nonneedy on a concurrent basis as the net figure computed below is positive.

Gross Earnings	\$500
Less Mandatory Deductions	- 75
Less MBSAC for SU (3)	-316
	<u>+ \$109</u>

The positive figure indicates income in excess of SU needs.

C. FBU Composition

Since the S/F's net income meets the needs of the SU, the stepfather and all members of the SU are not eligible for inclusion in the FBU. Only the mother's two separate children for whom aid is requested are included in the FBU.

D. Stepfather Contribution

The stepfather contribution is only that amount which is determined to be actually available, subject to the ceiling amount, to meet the needs of the FBU.

1. Actual Availability

Per the VR 2.2:	\$ 80 cash
	+ 92 IKI for Housing (2)
	<u>\$172</u>

(Note: Transportation is not a need item evaluated in 44-115.8 and therefore this inkind income cannot be computed.)

2. Ceiling Amount

The ceiling amount, which represents the maximum contribution which can be deducted in computing the AFDC grant, is computed as follows:

Gross Earnings	\$500
Less Mandatory Deductions	- 75
Less MBSAC for SU (3)	-316
	<u>\$109</u>

(Note: The same methodology is used in computing the neediness of the SU.)

The stepfather contribution to the FBU is the lesser of the amount actually available or the ceiling amount computed. Although the amount actually available to the FBU exceeds the ceiling amount, the ceiling amount of \$109 reflects the maximum amount which can be used in computing the AFDC grant.

MAP (FBU of 2)	\$237
Less Net Nonexempt Income	<u>-109</u>
Grant	\$128

3. Wife's Legally Collectible Interest

The stepfather contribution is determined to meet the wife's legally collectible interest, as computed below:

Gross Earnings	\$500
Less Child Support Liability	- 0
Less Flat Deduction	<u>-300</u>
Divide by 2	<u>2/200</u>
Wife's Legally Collectible Interest	\$100

(Note: Should a stepfather's contribution be less than his wife's legally collectible interest, only that amount determined to be actually available is used in computing the AFDC grant.)

STEPFATHER CONTRIBUTION WORK SHEET

Case Name _____ Month & Year of Income _____
 Case Number _____ Effective Month & Year of Grant _____
 Eligibility Worker _____ Date Completed _____

I. DETERMINE THE NEEDINESS OF THE STEPFATHER UNIT (SU)

Stepfather gross earnings and other S/F income \$ _____
Less Allowable Deductions:
 S/F mandatory payroll deductions \$ _____
 S/F child support liability \$ _____
 MBSAC for SU \$ _____ = \$ _____
 Difference \$ _____

If the computation results in a negative figure, the SU is considered needy. If the computation results in a zero or positive figure, the SU is considered non-needy. FBU composition is computed accordingly.
NOTE: Neediness is not equivalent to eligibility. Deprivation of the stepfather's children must exist.

II. DETERMINE STEPFATHER CONTRIBUTION

- A. If the S/F is included in the FBU, (if his children are eligible) the S/F contribution is his net non-exempt income, including the 30 and 1/3 exemption, which is automatically available to the FBU as income.
- B. If the S/F is excluded, but at least one member of the SU is included in the FBU, the S/F contribution is his net income, exclusive of the 30 and 1/3 exemption, which is automatically available to the FBU as computed below:

Stepfather gross earnings and other S/F income \$ _____
Less Allowable Deductions:
 S/F mandatory payroll deductions \$ _____
 S/F child support liability \$ _____
 MAP differential for S/F and excluded SU member(s) \$ _____ = \$ _____
Difference \$ _____

- C. If the S/F and all members of the SU are excluded from the FBU, the S/F contribution is the amount of his income which is actually available to the mother to meet the needs of the FBU, subject to the ceiling amount, as computed below:

1. Determine Amount Actually Available

Determine this amount from statements provided on the WR 2.2 and through personal discussion (Include income-in-kind, e.g., rent, utilities, etc.)

(1) \$

2. Determine Ceiling Amount

Stepfather gross earnings and other S/F income \$
Less Allowable Deductions:

S/F mandatory payroll deductions \$
S/F child support liability \$
MBSAC for SU \$ = \$

Difference (2) \$

3. Determine Wife's Legally Collectible Interest

Stepfather gross earnings \$
Less S/F child support liability \$
Less \$300 \$ = \$
Plus other S/F community income \$ = \$

Divide total sum by 2 (3) \$

4. Stepfather Contribution

The stepfather contribution to the FBU is the lesser amount of (1) or (2). If (3) is more than (1), the case should be referred for appropriate legal action pursuant to A.C.L. #74-158.

\$